

Message Text

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ACTION ARA-20

INFO OCT-01 IO-14 ISO-00 AGR-20 CEA-02 CIAE-00 DODE-00

EB-11 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06 NSAE-00

NSC-10 PA-04 RSC-01 AID-20 CIEP-02 SS-20 STR-08

TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 OMB-01 DRC-01

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R 021816Z NOV 73

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 4136

INFO USDOC WASHDC

US MISSION GENEVA 282

AMEMBASSY MONTEVIDEO

UNCLAS BUENOS AIRES 7983

E.O. 11652: N/A

TAGS: ETRD, AR.

SUBJECT: NEW LAW ON ARGENTINE TRADE POLICY.

1. CHAMBER OF DEPUTIES HAS JUST PASSED "LAW FOR DEFENSE OF NATIONAL LABOR AND PRODUCTION" WHICH HAD PREVIOUSLY BEEN PASSED BY THE SENATE. LAW WILL BECOME EFFECTIVE WHEN PUBLISHED IN OFFICIAL GAZETTE (BOLETIN OFICIAL).

2. NEW LAW EMBODIES PROTECTIONIST PHILOSOPHY OF NEW GOVERNMENT REGARDING FOREIGN TRADE AND SETS FORTH IN GENERAL TERMS DEVICES BY WHICH THIS PHILOSOPHY WILL BE PUT INTO PRACTICE. IT CONTAINS NO REAL SURPRISES AND NO SIGNIFICANT DEPARTURES FROM TRADE POLICY PRACTICED DURING LAST THREE YEARS (SINCE ADVENT OF LEVINGSTON-FERRER REGIME). THIS LAW MAINLY CODIFIES POLICIES PREVIOUSLY FOUND IN A NUMBER OF LAWS, DECREES, MINISTERIAL RESOLUTIONS

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AND PRACTICES.

3. SOME OF THE MORE IMPORTANT PROVISIONS ARE AS FOLLOWS:

A) PERMITS EXECUTIVE TO FIX OR RAISE IMPORT DUTIES IN ORDER TO GIVE "ADEQUATE PROTECTION" TO NATIONAL PRODUCTION "ESPECIALLY BY ENTERPRISES OF NATIONAL CAPITAL";

B) AUTHORIZES EXECUTIVE TO "SUSPEND (I.E. PROHIBIT) IMPORTS FOR BALANCE OF PAYMENTS REASONS OR FOR MAINTENANCE OF DOMESTIC LEVEL OF ECONOMIC ACTIVITY;

C) ESTABLISHES SYSTEM OF IMPORT LICENSES (IMPORT LICENSES HAVE BEEN IN USE FOR SOME TIME, BUT HAVE NOT BEEN CALLED IMPORT LICENSES).

D) PROVIDES FOR ESTABLISHING MINIMUM OR INDEX PRICES FOR BOTH IMPORTS AND EXPORTS. OFFICIAL IMPORT PRICES ARE TO BE FIXED TAKING INTO ACCOUNT MANY FACTORS OTHER THAN THOSE PROVIDED BY GATT. ARTICLE VII AND BRUSSELS STANDARD OF VALUE, INCLUDING "EXISTENCE OF NATIONAL PRODUCTION COMPETITIVE WITH, OR SUBSTITUTABLE FOR IMPORTS", AND WHETHER SUCH PRODUCTION IS BY FIRMS OF NATIONAL OR FOREIGN CAPITAL.

E) ABOLISHES ALL SPECIAL REGIMES OR TREATMENTS UNDER WHICH GOODS HAVE PREVIOUSLY BEEN IMPORTED DUTY FREE OR AT REDUCED RATES, INCLUDING SPECIAL INDUSTRIAL PROMOTION SCHEMES FOR COMPARATIVELY LESS DEVELOPED REGIONS, SPECIAL REGIMES FOR STATE AGENCIES AND ENTERPRISES, ETC. THIS WILL NOT AFFECT SPECIFIC PROJECTS WHICH HAVE ALREADY BEEN STARTED.

F) EMPOWERS EXECUTIVE TO FIX EXPORT REBATES, REIMBURSEMENTS, AND DRAW-BACKS, TAKING INTO ACCOUNT CONDITIONS OF THE DOMESTIC MARKET AND UNCLASSIFIED

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FOREIGN MARKETS.

G) AUTHORIZES EXECUTIVE TO ESTABLISH QUANTITATIVE RESTRICTIONS ON EXPORTS AND IMPORTS BASED ON SYSTEM OF PRIORITIES IT MAY ESTABLISH ON "REQUIREMENTS" OF EACH BRANCH OR INDUSTRIAL SECTOR AND WHETHER INDUSTRY IS OWNED BY NATIONAL OR FOREIGN CAPITAL.

4. LAW LISTS CERTAIN CATEGORIES OF ITEMS EXEMPT FROM REQUIREMENT THAT ALL IMPORTS PAY MAXIMUM DUTIES ESTABLISHED IN THE CUSTOMS TARIFF. AMONG THESE EXEMPTIONS ARE PRODUCTS NEGOTIATED IN LAFTA AND IN GATT AND ITEMS FOR DEFENSE FORCES AND DEFENSE INDUSTRIES.

5. LAW PROVIDES FOR PARTICIPATION IN ITS APPLICATION BY ADVISORY COMMISSIONS TO BE COMPOSED: ONE-THIRD GOVERNMENT, ONE-THIRD LABOR, AND ONE-THIRD "REPRESENTATIVES OF CENTRAL ORGANIZATIONS OF INDUSTRIAL ENTERPRISES OF NATIONAL CAPITAL".

6. COMMENTS WILL FOLLOW IN SEPTTEL.
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Disposition Event:
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